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C O N F I D E N T I A L SECTION 01 OF 03 BAGHDAD 002805

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TAGS: PGOV PREL KDEM EPET IZ SUBJECT: TNA MEMBER QASIM DAOUD ON CONSTITUTION, SISTANI, AND POSSIBLE BREAKUP OF UNITED IRAQI ALLIANCE

Classified By: Political Counselor Robert Ford. Reasons 1.4 (B) and (D).

(C) SUMMARY. Prominent Shia political figure, parliamentarian and Assembly constitutional committee member Qasim Daoud said 30 June the committee has been reluctant to confront sensitive issues such as Kirkuk, federalism, and Arab identity. Daoud supported the TAL language for Arab identity that says only "Arabs of Iraq are part of the Arab nation". Daoud said he met last week with Sistani who held reservations about federalism. Reportedly, Sistani worried that neighboring countries would interfere in Iraq without a strong central government. Sistani allegedly shared the USG view that the central government should own Iraq's natural resources. According to Daoud, Sistani also believes that the electoral law be changed to multiple rather than a single electoral district for the next elections. Daoud opined that in the next elections the Shia Islamist party SCIRI would seek to run without entangling alliances. By contrast, hardjline Shia cleric Muqtada al-Sadr would likely with Deputy Prime Minister Chalabi for the December elections. Daoud, who had been on Prime Minister's Allawi election list, said he probably would jump ship to join SCIRI given its grassroots support made possible by extensive Iranian patronage. END SUMMARY.

## Views on Federalism and Arab Identity

(C/NF) TNA constitutional committee member Qassim Daoud told Poloff 30 June he believes the committee will make the constitution deadline, although he admitted the committee is avoiding crucial issues like federalism, Kirkuk, and Iraq's Arab identity rather than confronting them outright. Having so many of the committee's key players out of Iraq has slowed progress. Moreover, broad agreements will be even harder once the Sunni Arabs join the committee in force, Daoud predicted. Daoud also commented about:

--ARAB IDENTITY: Daoud said he would support the TAL language that states the "Arabs of Iraq are part of  $\,$ Iraq is multi-ethnic and it is not the Arab nation". fair to force an Arab identity on them, he mused.

Daoud listened to the USG position as --FEDERALISM: relayed by PolOff that the central government should own Iraq's resources. (Note: Daoud in septel was the first one to raise with PolOff the proposal that natural resources would be owned by the regions, and revenues would be split 50/50 by the center and regions.) Daoud responded that Sistani also wanted natural resources to be owned by the central government. Daoud asked USG position on one large Southern Shia region. PolOff responded that we would support a federal structure that promotes the unity of Iraq. One large "Shia state" in the South might incite sectarian divisions, suggested PolOff.

Daoud and VP 'Abd al Mehdi Visit Ayatollah Sistani

- (C/NF) Daoud detailed 30 June his and Vice President Abdel Mehdi's visit to Nasiriyah and Najaf, which he described as very productive and encouraging In Nasiriyah, they were received by hundreds of people and were able to mingle with and discuss the constitution with them. Daoud said he was struck at how peaceful the area was and yet so impoverished; he bemoaned the lack of reconstruction projects in the area to date. Daoud complained that the US, NGOs, and the ITG always used the excuse of "security" for slowing reconstruction efforts; he asserted this argument holds no water in the South.
- (C/NF) Daoud said Grand Ayatollah Ali al-Sistani remained suspicious about federalism. According to Daoud, Sistani fears a weak central government will

draw neighboring countries to interfere in Iraqi affairs. Daoud said Sistani specifically mentioned Iranian interference: he feared that if there were Shia regions in the South with significant responsibility and autonomy, Iran would have a greater opportunity to build strong and overly influential relationships with them.

15. (C/NF) Daoud also reported that Sistani also stressed he would intervene in Iraqi politics again if the electoral system is not changed before the next election. Sistani believed the system must be changed from single-district to provincial-based elections, which would prevent Kurdish fraud from affecting the number of representatives allotted the rest of the country and could also encourage greater Sunni participation. (Note: PolOff told him the IECI would need to be apprised immediately of changes in the election system so that it could do its own planning. Daoud said he would raise the issue with them. A new election law could be necessary. End Note.)

Daoud Claims UIA to Break Apart, Might Join SCIRI

- 16. (C/NF) Daoud said that the United Iraqi Alliance is falling apart and will not stand for the next elections. SCIRI wants to go it alone and Muqtada alsadr is likely to split off with Chalabi, he continued. (Note: Chalabi deputy Nabil al-Mussawi separately claimed to PolOff 29 June that the INC hopes to soon announce its official intention to leave the UIA. Mussawi said they are trying to solidify the alliance with Muqtada al-Sadr.)
- 17. (C/NF) Daoud said Da'wa will also go on its own but will be hamstrung by its lack of grassroots support. Daoud believes Allawi will pair up with the Sunnis. Daoud said he could not join with Allawi, going so far as to call him a "dictator" because of his conspiratorial mindset and leadership style. Daoud added that Allawi has even rejected Daoud's attempts to meet with him because he thinks Daoud betrayed him by wanting to join the government when Allawi opposed the idea. Daoud claimed over half of Allawi's Iraqiya bloc in the Assembly (23 individuals) wanted to leave the list with him. However, he convinced them to remain with al-Iraqiya for the time being to avoid showing outright dissension within the list.
- 18. (C/NF) In the next elections, Daoud said he will probably join a political alliance with SCIRI, pointing to his close ties to VP 'Abd al Mehdi. Daoud said SCIRI lacked a cohesive or strong ideology unlike Da'wa with its extensive writings of its Islamist creed. Moreover, SCIRI has been very successful at building significant grassroots support in Iraq through its TV channel, al-Furat. SCIRI also benefits from its support for Shia religious events like Ashura to capitalize on the three million people that attend them. Daoud claimed the reason for SCIRI's success was financing which he acknowledged came from Iran. On overall Iranian political support for Iraqi parties, Daoud posited that SCIRI was the largest benefactor, followed by Da'wa, and then Ahmed Chalabi.

## Daoud to Visit Iran in August

- 19. (C/NF) Daoud said he was still in a wait and see mode about the new Iranian President Mahmad Ahmadinejad. He will have a better idea in late August when he visits Tehran at the invitation of President Khatami. What most concern Daoud are Iranian nuclear ambitions and their interference in Iraqi affairs. He claims he will address these matters on his visit.
- 110. (C/NF) Comment: We have heard from others that the UIA is starting to disintegrate, but we assess it will likely hold together until the December elections. It still shows signs of functionality; for example, the 21-man leadership committee still holds frequent meetings. Daoud's split from Allawi will deal a large blow to Allawi's secular support base; Daoud jumping to SCIRI will let the Shia Islamist party claim the backing of a major "secular" Shia. It is not surprising Daoud would choose this new alignment given his significant contacts to Sistani and the hawza and his obvious ambition. Daoud has striven hard to maintain positive relations with all of the Iraqi political entities, such as the Islamists and Kurds, in order to secure his own political

standing.

111. (C/NF) Comment continued: Regarding the federalism issue, if Daoud is to be believed, Sistani's position appears to be close to ours with respect to the central government's ownership of natural resources. Daoud has been one of the backers of regional ownership and we will watch with interest if Sistani's dislike of the idea will sway him and other members of the constitutional committee. Kurds, of course, will continue to press hard for regional ownership. This will be a key element of the federalism debate.

 $\underline{\ }\ 112.$  (U) REO HILLA, REO BASRA, REO MOSUL, and REO KIRKUK, minimize considered.

Satterfield